

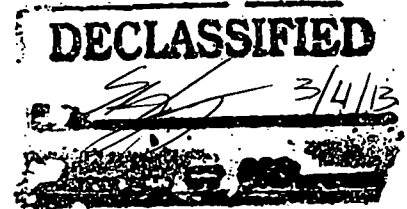


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ENERGY AND MINERALS DEPARTMENT
OFFICE OF THE SECRETARY

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THE WASHINGTON WEEKLY REPORT

October 12-19, 1978

No. 127WR

TO: Nick Franklin, Secretary
Energy and Minerals Department

FROM: Washington Office

ADMINISTRATION

EXPLANATORY NOTE - Record of major legislation

ENERGY

THE NEA RECEIVES FINAL CONGRESSIONAL APPROVAL

URANIUM BILL PASSES BOTH HOUSES

MAJORITY AGAINST PROPOSED REVISION OF 60-DAY EMERGENCY GAS PROGRAM

NEW MEXICO GEOTHERMAL LEASE LAW APPROVED

TRANSPORTATION

"PRIMARY CONNECTOR" DEMONSTRATION PROJECT FOR NEW MEXICO PASSED

FEDERAL REGISTER WEEKLY HIGHLIGHTS



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CONFIDENTIAL

POL-EPA01-0009088

ADMINISTRATION

EXPLANATORY NOTE

Even though all official actions of the ninety-fifth Congress were completed by six o'clock on Sunday, October 15, a clear and detailed account of precisely what those actions were will not be available until sometime early next week. In the closing two days of the legislative session, Congress passed in excess of two hundred bills. One result of this frantic burst of activity was that the official printer fell far behind in completing the record of Congressional actions. The Congressional Record covering the proceedings which took place during the thirty-four hour marathon session which lasted from Saturday morning until Sunday evening will be printed in six volumes. Of these, three volumes will not be available until Monday or Tuesday of next week. In addition, copies of the final versions of the bills, resolutions and conference reports which were enacted and amended in the last few days of the session will not be available for some time. Thus, this week's Washington Report will provide a somewhat skeletal and selective description of major legislation which was passed in the last week. More detailed descriptions will be provided in the Reports for the next two weeks. If any reader urgently requires more detailed information on specific bills, please contact the Washington Office directly. We will make every attempt to be of assistance.

Below is a record of major legislation approved or disapproved by the 95th Congress.

AGRICULTURE

1977 Farm Bill	Approved
Farm Credit	Approved
Sugar Stabilization	Rejected

CONSTITUTIONAL REFORM

D.C. Voting Rights	Approved
ERA Time Extension	Approved

CONSUMER AFFAIRS

Labor Law Reform	Rejected
Minimum Wage Increase	Approved
Common Site Picketing	Rejected
Cargo Preference Bill	Rejected

DEFENSE FOREIGN POLICY

Panama Canal Treaties	Approved
Mideast Arms Sales	Approved
Turkish Arms Embargo End	Approved
Arab Boycott Bill	Approved
Nuclear Carrier	Veto sustained
Neutron Weapon	Approved

B-1 Bomber

Agreed to block

EDUCATION

Tuition Tax Credits
College Student Aid
Elementary, Secondary Act

Rejected
Approved
Approved

ELECTION REFORM

Postcard Registration
Congressional Public Financing
Electoral College Reform

Died
Died
Died

ENERGY

Natural Gas Deregulation
Utility Rate Reform
Coal Conversion
Energy Conservation
Home Insulation Tax Credits
Crude Oil Equalization Tax
Gas Guzzler Tax
Industrial Oil, Gas Use Tax
Nuclear Licensing
Uranium Mill Tailings Cleanup
Coal Slurry Pipeline
Outercontinental Shelf Drilling
Breeder Reactor
Emergency Natural Gas Allocation
New Mexico Geothermal Lease Law
Energy Impact Assistance

Approved
Approved
Approved
Approved
Approved
Rejected
Approved
Rejected
Rejected
Died
Approved
Rejected
Approved
Unresolved
Approved
Approved
Died

ENVIRONMENT

Clear Air
 Delay in Auto Emission Standards
 New Stationary Source Standards
Clean Water Funding
Alaska D-2 Lands
Omnibus Parks Authorization
Endangered Species
Redwood National Park Expansion
Water Projects
 1977 bill
 1978 bill

Approved
Approved
Approved
Died
Approved
Approved
Approved
Approved
Approved
Approved
Approved
Veto Sustained; new bill

ETHICS CONGRESSIONAL REFORM

House Ethics Code
Senate Ethics Code
Executive Branch Ethics
Lobby Reform
House Internal Reform
Senate Committee Reforms

Approved
Approved
Approved
Died
Rejected
Approved

POL-EPA01-0009090

HEALTH AND WELFARE

CETA Extension	Approved
Hospital Costs	Died
Welfare Fiscal Assistance	Died
Black Lung Benefits	Approved
Abortion Funding Curb	Approved
Food Stamp Reform	Approved
PSRO Amendments	Died
Child Nutrition	Approved
Health Planning and Resources Development	Died
Child Health Assurance	Died
Medicare Home Service Amendments	Approved
Nurse Training	Approved
Development Disabilities Act	Approved
Severely Disabled Disability Benefit Program	Died
Supplemental Security Income Benefits Based on Disability	Died

JUSTICE

Judgeships Bill	Approved
Wire Tap Bill	Approved
Criminal Code Reform	Rejected

REORGANIZATION

Energy Department	Approved
Education Department	Died
Civil Service Reform	Approved

TAXES, ECONOMY

1977 Tax Cut	Approved
1978 Tax Cut	Approved
1977 Stimulus Package	Approved
Tax Reforms	Mostly Rejected
Social Security Tax Increases	Approved
Humphrey-Hawkins	Approved
Mandatory Retirement at Age 70	Approved

TRANSPORTATION

Airline Deregulation	Approved
Highway-Transit Bill	Approved
Waterway User Fee	Approved

URBAN AFFAIRS

Countercyclical Aid	Rejected
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ENERGY

THE NEA RECEIVES FINAL CONGRESSIONAL APPROVAL

Late Sunday, the National Energy Act (NEA) received final congressional approval when the House voted 231-168 to send the five-part comprehensive energy program to the President for signature. The bill included provisions for gradual natural gas deregulation, coal conversion, utility ratemaking reform, tax incentives for consumer conservation and greater production by the energy industries.

House approval had been delayed until the last hours of the 95th session until the Senate passed 60-17, the energy tax portion of the bill. Senator Abourezk (D-SD), a major opponent of the natural gas bill, staged a filibuster which held up the energy program through the weekend.

Before final agreement in the House, an effort to force a separate vote on the natural gas deregulation portion came close to being accepted last Friday when the full House voted down. The House Rules Committee's motion to separate the five portions, by a vote of 207-206. Opponents of the natural gas bill believed that if the natural gas would have been voted on separately from the other sections, it would not have been able to survive. After the Rules motion failed, they voted to hold the package together and have a single up-or-down vote on the combined five sections, following Senate approval.

Following are the numbers of the conference reports approved by Congress for the five sections of the energy program:

Rpt. No. 95-1749 - Coal Conversion
Rpt. No. 95-1750 - Utility Rate Reform
Rpt. No. 95-1751 - Conservation
Rpt. No. 95-1752 - Natural Gas Pricing
Rpt. No. 95-1773 - Energy Taxes

The tax portion of the bill, which was initially the main part of the program, was changed drastically by Congress. As introduced, the tax bill would have increased oil prices to world prices through the crude oil equalization tax (COET). This tax was abandoned by Congress along with a \$50-billion tax on gasoline and a \$20-billion tax on industrial use of oil and gas. The only tax which was approved was a levy on fuel inefficient automobiles which differs from the original measure. As finally approved, the tax program imposes a tax of up to \$650 on 1980 models that get less than 15mpg. By 1986, when models must get at least 22.5 mpg, inefficient cars could be taxed at a maximum of \$3,850.

Along with the gas-guzzler tax, the program contains a number of credits to encourage conservation. Among the tax credits, homeowners who install energy-saving devices would receive a break of up to \$300, retroactive to April 1977 (date of introduction of NEA), and for solar wind and geothermal energy equipment installations there would be a tax break of up to \$2,200.

ENERGY

NEA con't

Several changes also occurred in the controversial natural gas section. The original bill had called for extension of federal gas controls to the interstate market. But, after months of congressional debate, prices of new natural gas would rise an average 10 percent annually until 1985, when government controls would be phased out. Also under the measure, both interstate and intrastate gas will be regulated under varying ceiling prices.

The utility rate reform measure as approved, requires that state utility ratemaking commissions consider such policies as setting rates to reflect the actual cost of providing electric service to each class of consumers, prohibiting the use of declining block rates, using time-of-day rates that reflect the cost of providing power at peak hours and using interruptible rates. In original form utility rate reform would have been forced instead of to be considered.

The remaining two sections, coal conversion and conservation, were much less controversial than the before mentioned sections. The coal conversion bill is aimed at encouraging power and industrial plants to convert from oil and gas to coal. The conservation program includes grants and loans for the installation of energy saving equipment.

The Department of Energy estimates that as approved, the five-part energy program will save 2-million to 2.5-million barrels of oil per day by 1985. In the original form the plans were that the bill would have reduced oil imports by 4.5 million per day by 1985.

URANIUM MILL TAILINGS BILL PASSES BOTH HOUSES

After a long round of parliamentary maneuvers, the House and Senate finally agreed late Saturday on an amended version of H.R. 13560, the Uranium Mill Tailings Control Act of 1978. The final version of the bill has not yet been printed but the Washington Office has learned that the major provisions of the bill which concern New Mexico emerged as follows:

- . Funding Formula - 90% federal, 10% state; includes site acquisition and planning costs;
- . Sites Included - 22 sites, two in New Mexico; Ambrosia Lake site is definitely included;
- . Studies - N.M. piles at Milan and Bluewater will be studied by NRC, US Attorney General, and N.M. Attorney General for possible future inclusion in the cleanup program;
- . Personnel Requirements - Agreement states required to enact standards which are "equivalent, to the extent practicable" with those of NRC; non-adjudicatory public hearings with the opportunity for cross-examination are required; state must prohibit construction activities prior to completion of environmental review; and,

ENERGY

Mill Tailings con't

Environmental Review - states must require a "written analysis of the impacts of (the) license *** on the environment;" the analysis must include assessment of both radiological and non-radiological impacts, surface and ground water impacts, consideration of alternative sites and methods, and consideration of long-term impacts.

A copy of the final version of the bill may be available by the middle of next week. If more information is needed with respect to the details of this legislation, please contact Roy Nord in the Washington Office.

MAJORITY AGAINST PROPOSED REVISION OF 60-DAY EMERGENCY GAS PROGRAM

A strong majority of those submitting comments with the Federal Energy Regulatory Commission on the proposed changes in the 60-day emergency transactions appear to support continuation of the existing rules.

The Commission's current regulations permit 60-day emergency transactions under the following three sections: (1) Section 2.68, which allows 60-day sales or deliveries in interstate commerce by non-jurisdictional distributors and interstate pipelines to distributors and interstate pipelines in need of temporary gas; (2) Section 157.39 which exempts the sale or transportation of gas by independent producers to interstate pipelines for a 60-day period where certain conditions are met; and (3) Section 157.22 which exempts construction and operation of facilities and the sale of natural gas where necessary to assure maintenance of adequate service, provided such operations are limited to single periods of not more than 60 days.

After expressing a need for clarification of the criteria for qualifying for "emergency" gas and also concern over the inflated prices being paid for such gas, FERC proposed a change in the regulations to address these concerns.

Virtually all of the producing interests supported continuation of the current regulations, challenging the proposed changes on the basis that the changes failed to provide the flexibility necessary to bring forth required emergency supplies.

Among those in favor of continuation of the existing regulations was the Energy and Minerals Department of the State of New Mexico. New Mexico's comments opposed changing the current rules "in favor of a more rigid formalistic, and probably unworkable plan." Also, a change now could needlessly confuse the situation if pending natural gas pricing legislation is passed by Congress. "The existing regulations concerning 60-day emergency sales are known and understood. To inject new rules into the game in the face of potential legislative changes would only add complications to complexity."

NEW MEXICO GEOTHERMAL LEASE LAW APPROVED

Congress cleared H.J. Resolution 747, a private bill by Congressmen

NM GEOTHERMAL LAW con't.

Manuel Lujan (R-NM) and Harold Runnels (D-NM), which will enable the State of New Mexico to amend its constitution. The measure provides a method for the leasing of State land for geothermal steam and water development and allows the State to amend State law to provide for the extension of geothermal leases. The present primary 5-year lease term would be extended to 10 years. This expanded lease term will afford geothermal developers sufficient time to develop a geothermal facility of facilities.

State government encourages the development of the alternative energy source and feels that the 10 year primary lease term will abolish the fear of geothermal developers that they would be taking a risk in capital and time in developing geothermal energy.

TRANSPORTATION

"PRIMARY CONNECTOR" DEMONSTRATION PROJECT FOR NEW MEXICO PASSED

On Saturday, October 14, the Senate and House both approved the conference report on H.R. 11733, the Surface Transportation Assistance Act. Included in the \$51.4 billion, four-year compromise bill is a provision for a demonstration project for "priority improvement of high traffic sections on the Federal-aid primary system" between Las Cruces and Amarillo and between Lubbock and Interstate 10. The demonstration provision, sponsored jointly by Senators Domenici and Bentson, will allow the project to be funded in one of two ways: The state can use a portion of its allocation under the Federal aid highway program to fund 90%, rather than the normal 75% of the project; or it can apply for an additional allocation from a \$125 million discretionary fund which will be administered by the Secretary of Transportation. Under the second option, the improvements would be funded on the standard 75-25 matching basis.

FEDERAL REGISTER WEEKLY HIGHLIGHTS

FR47454 10-13-78 Department of Labor, Mine Safety and Health Administration (MSHA), published the final rules and requirements for training surface and underground miners. These rules set forth the requirements for obtaining approval of training programs and specify the types of training which intend to insure that miners will be effectively trained in matters affecting their health and safety. Underground operators will have 90 days and surface operators 150 days, beginning October 13, 1978, in which to file their plan with MSHA responding within 60 days.

FR47474 10-13-78 Department of Health Education, Health Care Financing Administration published proposed regulations on the imposition of sanctions on practitioners and providers of services. The regulations also explain the role of the medicaid State agency and establish the rights and responsibilities of the practitioner or provider, the Professional Standards Review Council, and the Health Care Financing Administration in this process. Comments on these proposed regulations must be received by December 12, 1978.

FR47224 10-13-78 Department of Agriculture, Agricultural Stabilization and Conservation Service, issued notice of intent for decisionmaking on the 1979 Agricultural Conservation Program (ACP). Comments and suggestions will be received no later than October 20, 1978, and will be considered in the development of the proposed guidelines criteria and procedures.

FR47694 10-16-78 Department of HEW, Health Resources Administration, published rules establishing requirements for grants to schools of medicine or osteopath, hospitals, and other public or private nonprofit entities to plan, develop and operate or participate in predoctoral, graduate, or faculty training programs in family medicine. These final regulations are effective immediately. However, comments will be considered. They should be received on or before December 15, 1978.

FR47936 10-17-78 Department of Labor published final rules for implementing the youth community conservation and improvement projects and youth employment and training programs for Indians and native Americans under the Youth Department and Demonstration Projects Act of 1977, which is a special program under the Comprehensive Employment and Training Act.

FR47846 10-17-78 Department of Agriculture, Food and Nutrition Service, published final rules for implementing the Food Stamp Act of 1977. The rules outline the requirements and changes in the eligibility criteria and describe the intentions for the changes in the program. These include the aims to reduce program fraud and abuse, to strengthen program administration and to tighten the eligibility criteria.